

COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

AGENDA

Virginia Housing Commission House Room C, General Assembly Building September 6, 2011 1:00 P.M.

Members present: Delegate John Cosgrove, Delegate David Bulova, Delegate Rosalyn Dance, Delegate Daniel Marshall, Senator Mamie Locke, Senator John Watkins, Senator Mary Margaret Whipple, T.K. Somanath, and Mark Flynn

Staff present: Elizabeth Palen and Beth Jamerson

I. Welcome and Call to Order

- **Delegate John Cosgrove, Chair**
 - The meeting was called to order at 1:05 p.m.
 - **Delegate Cosgrove** began the meeting by acknowledging Frank Eck's recent passing, and expressing his condolences on behalf of the Commission. Frank Eck worked extensively with the Commission on housing issues, and he will be sorely missed by Commission members.

II. The Virginia Tobacco Indemnification and Community Revitalization Commission and Energy Efficient Affordable Housing (25 mins.)

- **Dr. Phil Parrish**, Associate Vice President for Research at the University of Virginia, introduced himself and his colleagues, professors Anselmo Canfora and John Quale from the University of Virginia School of Architecture. Dr. Parrish began the presentation with an overview of the Partnership for Design and Manufacture of Affordable, Energy Efficient Housing Systems.
 - The Partnership is between UVA (Project ecoMOD and Project reCOVER), Cardinal Homes, People Inc., SIPS of America, the Southern Virginia Higher Education Center, Riverstone Energy Center/American Wood Finishing Institute, the Southside Outreach Group, and the Tobacco Indemnification and Community Revitalization Commission. The focus of the partnership is providing affordable, energy efficient housing systems. The homes include disaster recovery shelters as well as permanent homes. The goal is to develop a robust housing industry in southside Virginia, and improve economic development and create 30–40 jobs in that part of the state over a three-year period.

DELEGATE DAVID L. BULOVA
DELEGATE JOHN A. COSGROVE
DELEGATE ROSALYN R. DANCE
DELEGATE DANIEL W. MARSHALL, III

SENATOR MAMIE E. LOCKE
SENATOR JOHN C. WATKINS
SENATOR MARY MARGARET WHIPPLE

MARK K. FLYNN
T.K. SOMANATH
MELANIE S. THOMPSON

- The concept of affordability embraces costs for the acquisition of the home as well as during the life of the occupancy. There are energy saving features intended to help with maintenance on the home. The project involves specialty products, and will evolve into a project that will address specialty windows and skylights, specialty wood products, advanced control systems for heating and cooling units, alternative energy systems, energy efficient lighting, and sustainable flooring materials.
- The partnership has chosen to focus on two different market thrusts (disaster recovery systems and affordable permanent systems), and the commonalities are the materials and methods of construction. Disaster recovery systems provide a shelter alternative to tents and other temporary structures. The transitional disaster recovery housing system design is the same design as the Project reCOVER Breathe House, which won first place in an international design competition involving 400 design teams. The design was developed for use in disaster recovery in Haiti, and special design attributes contribute to a healthy living environment.
- Project ecoMOD is continuing to be developed, and multifamily units are now being designed for the partnership project. There will be one unit built in both South Boston and in Abingdon. These two locations are microclimates and the houses will be monitored for energy efficiency to help understand the houses' performance in this type of atmosphere. The houses will use SIPS panels manufactured by SIPS of America and modules constructed by Cardinal Homes.
- The partnership project is highly integrated, and each partner has a different role.
 - SIPS of America is working toward in-house development of capability for automated, computer-aided production. Currently, all production is done by hand. To be more competitive, computer-aided production is necessary. There is a plan to purchase a piece of automated equipment which will improve the quality of materials and create jobs at SIPS for the design and manufacture of these computer systems.
 - Cardinal Homes is upgrading their ability to incorporate SIPS panels into construction.
 - The Southern Virginia Higher Education Center is providing major support to SIPS in manufacturing automation and helping with design manufacture for key components of the Breathe House. The center is also assisting with the instrumentation of ecoMOD for the ongoing measurement of energy use once the occupants are living in the house. There will be a wireless system in place that will provide data back to UVA for evaluation of the houses' performance over time.
 - Riverstone Energy Center is primarily focused on coatings for materials used in the houses, because they are subject to fire, pests, moisture, and solar exposure. The goal is to find ways for the houses to stand up to weather and other threats.

- Southside Outreach is a demonstration vehicle for the ecoMOD house in South Boston, and People Inc provides the same role in Abingdon.
- **Anselmo Canfora**, an Assistant Professor of Architecture at UVA, explained Project reCOVER.
 - As Dr. Parrish mentioned, one of the central projects being developed with the Commission grant is the Breathe House, which is the transitional disaster recovery housing system. The design was submitted to an international design competition for disaster recovery housing in Haiti. It was primarily focused on a community near Port-au-Prince of residents who are unfortunately afflicted with HIV/AIDS, and the project has a very specific health component. One of the reasons the project uses SIPS panels and other environmentally friendly materials is to support a healthy environment.
 - Initiative reCOVER was a research project initiated at the School of Architecture in 2007 that focuses on disaster recovery housing and works internationally with non-profit organizations, government agencies, and private entities to address projects that have a social good. Project reCover has four basic objectives.
 - The first objective is for Virginia to take the leading role in revolutionizing disaster recovery housing, and look at design and engineering problems anew to improve on what is currently available in the market.
 - Secondly, the project will specifically address the current mediocre temporary housing solutions in the form of UN tents and FEMA trailers, and the various health hazards associated with these types of housing. Initially these types of housing are presented as temporary solutions, but ultimately become permanent.
 - The third objective is to rethink manufacturing and deployment strategies and design for sustainable reuse. The reCOVER system is entirely based on a strategy of recycling and reusing. The design for the Breathe House is based on a panelized system that is remountable, and can be taken down, repacked, repaired if necessary, and put back together.
 - Finally, the initiative seeks to reconnect victims of disasters to their communities through a process of occupant-centered rebuilding.
- **John Quale**, an Associate Professor of Architecture at UVA, explained projects ecoMOD and ecoREMOD.
 - The objective of the two projects is to create sustainable housing units for affordable housing organizations—ecoMOD focuses on new construction and ecoREMOD rehabilitates existing properties. Projects ecoMOD and ecoREMOD are both educational projects and research projects with commercial opportunities associated with each. Between the two projects, nine housing units have been completed—seven in the Charlottesville area, one in Mississippi, and one in Jamaica. Future projects include four new

townhome housing units in South Boston and Abingdon, Virginia, and new construction and renovation projects in Charlottesville.

- Housing units built or remodeled for the projects focus on sustainability and affordability. The houses use local and regional materials and are built to LEED and Passive House standards. Once built or renovated, the houses are monitored and evaluated to assess climate response and environmental impact.
- **Dr. Phil Parrish** expressed his gratitude to the Virginia Tobacco Indemnification and Revitalization Commission for its generous financial support to the Partnership.
- **Delegate Marshall** mentioned that as a member of the Virginia Tobacco Indemnification and Revitalization Commission who sits on the Research and Development Committee, he felt the Partnership is succeeding in its effort to create jobs in the southern and southwestern areas of Virginia.
- **Mark Flynn** inquired about the cost and size of the disaster recovery housing systems.
 - **Anselmo Canfora** responded that the base unit is roughly 525 square feet, and the production costs are approximately \$45–\$55 per square foot. He noted that this cost is very competitive, and roughly equal to the cost of producing trailers and other forms of transitional housing currently available.
- **Mark Flynn** asked whether the end result is intended to be a permanent home.
 - **Anselmo Canfora** answered that in certain instances they do become permanent homes, such as the Breathe House—the occupants are transitional. The prototype being developed with Cardinal Homes however is a de-mountable, re-packable system that can be flat-packed again and stored. This allows for some flexibility to meet the demand on various types of housing.
- **Delegate Cosgrove** asked how these homes differ from the houses built by Make it Right in New Orleans following Hurricane Katrina.
 - **John Quale** replied that the housing systems are similar, but Make it Right emphasized architectural designs, and some were somewhat unrealistic and less pragmatic for the community. In terms of cost, the houses being developed by the Partnership are less expensive to produce.
- **Delegate Cosgrove** asked how localities are responding to these housing systems and inquired about compliance with local ordinances.
 - **John Quale** responded that they have appeared before historic boards several times throughout the process, and they attend community meetings. He mentioned that during these meetings they have received negative feedback regarding the floor plans of the houses, but partners have had no difficulty selling the units or moving families into them. In fact, they have been slightly more successful than comparable units.
- **Delegate Cosgrove** inquired about potential jobs.
 - **Delegate Marshall** responded that during the first period of the project the Commission had projected that 30 jobs will be created.
 - **Dr. Phil Parrish** added that building disaster recovery housing systems could create even more jobs. SIPS and Cardinal Homes are unable to

address the demand alone, nor would they necessarily obtain a contract to build the homes. He explained they are currently attempting to find a broader network of builders within southern and southwestern Virginia. They are trying to make the hub in southern Virginia.

- **Delegate Cosgrove** asked if there was any formaldehyde used in the houses or in the building process.
 - **John Quale** responded that there is absolutely no formaldehyde involved in any part of the process.
- **Delegate Cosgrove** acknowledged that the Partnership is providing an incredible opportunity for both the people who benefit from these houses and southern and southwestern communities in Virginia.

III. Potential Impacts of Consumer Financial Protection Bureau on Mortgage Loan Originators in Virginia (15 mins.)

- **Joe Face**; Commissioner of Financial Institutions, Virginia State Corporation Commission
 - The Nationwide Mortgage Licensing System (NMLS) was initiated by state regulators in 2004 in response to the rise in mortgage loan originators (MLOs). The Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act, which became effective in 2009, mandated that MLOs meet minimum licensing requirements. States were required to enact legislation that brought MLOs into compliance with the SAFE Act by December 31, 2010.
 - As of July 2011, the SCC has received 9,257 MLO license applications. Of those 5,989 are now registered and licensed by the SCC through NMLS. Over 700 existing mortgage-licensed companies have now transitioned onto NMLS as well. All states are now part of, and are using, NMLS. Nationwide, there are more than 362,000 licensed MLOs registered through NMLS. In January 2011, MLOs were required to register with NMLS by July 29, 2011.
 - The goals of NMLS include improving the system's functionality, its operations and services, and to expand the system to include other non-depository institutions.
 - The Consumer Financial Protection Bureau (CFPB) was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act as an independent entity led by a director appointed by the President and confirmed by the Senate. CFPB has the authority to promulgate regulations and rules, and has the authority to examine and enforce regulations for banks and credit unions with over \$10 billion in assets, all mortgage-related businesses, and non-backed financial firms. CFPB was initially housed in the Department of Treasury, and was transitioned into an independent agency. It is anticipated that CFPB will employ upwards of 1,300 employees, and currently has over 200 employees. CFPB is funded from the Federal Reserve and will receive \$230 million annually and may request an additional \$200 million from Congress.
 - State regulators have calculated that CFPB will be required to issue at least 243 rules and must conduct at least 67 studies over the next couple of years,

and there will be at least 123 rulemakings that will affect regulations regulated by state regulators.

- Under Dodd-Frank, state regulators can bring actions against state-regulated licensed entities for violations of any rules or regulations promulgated by CFPB. This will likely require changes to Virginia law, but because these rules and regulations have yet to be written, there is no way to know at this point which laws this will affect. There are multiple provisions in Dodd-Frank that require the CFPB to coordinate, consult, and share information with state regulators. Many states have entered into memorandums of understanding with CFPB to promote and coordinate this sharing of information. The SCC is currently working on such a memorandum with CFPB.
- The CFPB now has oversight of the SAFE Act. CFPB is also the regulator of NMLS and assumed responsibility for the contract between NMLS and federal banking agencies for federal MLOs.
- At this point, most experts agree that there is uncertainty as to what CFPB may or may not do with its broad powers. However, CFPB has informed the SCC that it does not expect to exercise its authority to determine that a state does not have a system in place for licensing MLOs that complies with the SAFE Act until at least December 31, 2012. Fortunately CFPB did recognize that with the new Housing and Urban Development (HUD) ruling that was issued over the summer, many states needed additional time to bring state laws into compliance with the SAFE Act. This ruling sets forth the minimum rules and standards with which state-licensed MLOs need to comply. The SCC is currently reviewing the HUD ruling and will be advising the General Assembly as to whether amendments to current legislation will be required.
- **Senator Watkins** asked whether an agency head has been appointed to the CFPB yet.
 - **Joe Face** responded that the President has nominated a candidate, but has not yet been confirmed by the Senate.
- **Senator Watkins** inquired whether the NMLS would move out of control of the state regulators.
 - **Joe Face** replied that has not happened yet. Control of NMLS still rests with state regulators, but the regulator of NMLS is now the CFPB. There has been discussion in the CFPB about NMLS incorporating the licensing of other non-depository institutions. If this happens the CFPB may take over NMLS, but there has also been discussion that CFPB may design its own database to house non-depository institutions; there are a lot of options being discussed at this point and nothing is certain.
- **Senator Watkins** noted that the General Assembly enacted legislation to comply with all rulings and regulations issued by HUD, and now that MLOs are overseen by a different entity, all those rules and regulations could be completely changed.

- **Joe Face** acknowledged that is a possibility. The HUD ruling that was issued over the summer has already identified potential issues, including what constitutes a mortgage loan originator. The HUD rule seems to indicate that if someone is only passively engaged in mortgage loan originating they may not need to be licensed, whereas before if someone issued one loan they needed to be licensed. This is one example of the issues the SCC is currently examining.

IV. Foreclosure on Lien for Unpaid Assessments (10 mins.)

- Delegate James Scott
 - **Delegate Cosgrove** explained that Delegate Marshall recommended this issue be taken up at the next Commission meeting in November.

V. Municipal Water Services (15 mins.)

- **L. Preston Bryant, Jr.**, with McGuire Woods Consulting, explained that he represented Virginia Water and Waste Authorities Association, and that they had been working extensively with Virginia Municipal League (VML), Virginia Association of Counties (VACO), realtors, and property owners.
 - The issue is not a new one; there has been a recurring problem with Water and Sewer Authorities' ability to collect past due water and sewer fees from tenants. This has resulted in the authority of Water and Sewer Authorities to put a lien on the property. There has been concern regarding the ability of authorities to place a lien on an owner's property for past due fees owed by the tenant. Additionally, there have been problems with enforcing these liens in a uniform manner. This is largely due to two conflicting sections of the Virginia Code: §§ 15.2-2119 and 15.2-5139. Property owners and local governments tend to rely on the Code section most beneficial to their situation, and this has resulted in confusion.
 - Stakeholders have been attempting to align the Code sections and in the process develop a protocol for placing a lien on property that is agreeable to all interested parties. The draft presented today is not final, but it shows the direction stakeholders are moving toward. It includes notice and process provisions to ensure a uniform collection effort. Liens are intended to be a last resort. Mr. Bryant and stakeholders hope to have developed a final draft by the Commission meeting in November.
- **Mark K. Flynn**, with VML, explained that there currently are not many requirements that must be met before a city, county, or town may place a lien on property. A judgment in district court is required, but the problem is that court costs exceed the past due fees in many cases. The solution to this has been to develop a process with additional requirements placed on the locality or water authority to advise the owner of the real estate prior to a tenancy that this lien provision exists to ensure that the landlord is informed ahead of time. Additionally, the amount of the lien cannot exceed three months, so the probability of a landlord facing a \$1,000 lien for water and sewer fees is less likely to occur. The locality

must also send notice to the landlord that the tenant owes past due water and sewer fees prior to placing a lien on the property. The draft also provides for the use of the Set Off Debt Collection Program if the locality is a participant. Also, the draft includes a provision that allows a locality to obtain a security deposit under certain circumstances. While this provision protects the landlord, there are concerns regarding the logistics of localities collecting the deposits and the ability of the tenant to provide what would be a second deposit after the rental deposit. These are all concerns stakeholders are addressing. The biggest achievement is that this draft aligns the two conflicting Code sections.

- **Chip Dicks**, with FutureLaw, explained that the landlord community would like to ensure that no landlord is responsible for the bills of a delinquent tenant. However, the credit rating of water and sewer bonds is based, in part, on the ability of localities and authorities to place a lien on property for unpaid fees. This draft has taken steps in the right direction, but the landlord community still has concerns.
 - There are requirements that must be met prior to a locality's or authority's ability to place a lien on a landlord's property, including taking a security deposit in the amount that would equal a lien. For three months of water and sewer bills, plus interest and penalties, the amount would equal roughly \$150.00. This eliminates the need to put a lien on landlords' properties.
 - Another issue is that often times a tenant is able to turn on the water and sewer services without any proof of authority that the landlord has authorized the tenant to open an account. The solution has been to develop a process that localities and authorities must follow. Authorities will know exactly what process must be followed before they are allowed to place a lien on the landlord's property.
 - Finally, before a lien may be placed on property, there must be a 30-day notice to the landlord notifying him that authorities are unable to obtain the past due fees from the tenant. This would allow a landlord to prevent the locality or authority from placing a lien on his property by paying the fees, and then he may pursue collection from the tenant.
 - The real challenge is that it is not cost-effective for localities and authorities to go to court to obtain past due fees, and landlords do not want to be responsible for a tenant's bills. This draft is still very much a work in progress.
- **Senator Watkins** asked Mr. Dicks whether localities comingle the capital and daily usage in one bill. Usually the capital is required up front with the connection fee in development and that cleans it off the system, but it sounded like from what Mr. Flynn said there's a potential for localities to put in the capital side with the monthly fee as well.
 - **Chip Dicks** responded that if a locality installs \$20 million in water and sewer lines, when underwriting, rating agencies take into consideration the capital outlay, but the revenue stream is deemed to be reliable, in part, because of the locality's ability to place a lien on the property for past due fees.

- **Senator Watkins** explained that he was under the impression that lien authority existed only so long as the connection fee is withheld. Did that slide over into the operational side?
 - **Mark Flynn** replied that yes, a tenant with a monthly bill is still subject to the locality's lien authority.
- **Senator Watkins** asked Mr. Flynn how many jurisdictions depend on monthly usage fees, or some part, to pay for capital equity costs.
 - **Mark Flynn** responded that he is unsure of the actual number, but when he worked for the City of Winchester that was standard practice; it's not unusual.
- **Delegate Cosgrove** asked Brian Gordon, from the Apartment and Office Building Association (AOBA), how apartment complex management might be affected by this bill cost-wise.
 - **Brian Gordon** answered that he was unsure of what the total cost might be. He explained that he has not yet had an opportunity for feedback from AOBA's members regarding this bill draft. The costs are substantial, particularly in the commercial context, and he expressed amenability to a provision capping the charges a landlord would be responsible for at three months worth of fees.
- **Delegate Cosgrove** inquired how soon a landlord is required to return a security deposit to the tenant after the tenant vacates the premises.
 - **Chip Dicks** responded that under the Virginia Residential Landlord Tenant Act (VRLTA) a landlord must return the deposit within 45 days. Two sessions ago the General Assembly enacted legislation enabling a landlord to withhold part of a security deposit of water and sewer bills had not been paid and the tenant had not provided proof of payment of water and sewer bills.
- **Delegate Cosgrove** asked whether the landlord would be given notification of nonpayment of water and sewer bills within that 45 day time frame under this proposed legislation.
 - **Chip Dicks** replied that currently there are localities and authorities that are placing liens on landlords' properties with no notice whatsoever. The direction this bill is taking is not a perfect solution, but it improves on current practices.
 - **Mark Flynn** responded that the vast majority of those affected by this bill will be single-family and duplex residences. This proposed legislation requires the locality notify the owner when the final water bill is sent to the tenant, which provides the owner with notice before the security deposit must be returned.
- **Delegate Marshall** inquired with regard to the Set Off Debt Collection Program, whether a tenant's tax refund would be sent to the locality for overdue water and sewer fees.
 - **Mark Flynn** replied that the draft provides that a lien may be placed on the property only if the same collection efforts are made to collect amounts due as are made with respect to the property owner as well. He

indicated he would like the participation of the locality in the Set Off Debt Collection Program to be mandatory.

- **Delegate Marshall** noted that if the landlord makes no effort to collect the amounts due from the tenant, then the locality can use the Set Off Debt Collection Program to obtain the amount owed. He indicated this provides the landlord with incentive to allow the bills to go unpaid.
 - **Mark Flynn** explained that the consequence of allowing the bills to go unpaid would be that the locality or authority puts a lien on the landlord's property, so if the landlord wants to avoid the lien, he must either pay the bill or collect that amount from the tenant.
- **T.K. Somanath** asked Mr. Flynn whether the proposed legislation would also apply to gas provided by the localities. He pointed out that some localities include gas, water, and sewer in the same bill.
 - **Mark Flynn** answered that the section of the Virginia Code being amended applies only to water and sewer.
- **T.K. Somanath** inquired whether that meant that localities will need to change billing practices.
 - **Mark Flynn** responded that that is a possibility.

VI. Update from the Neighborhood Transitions and Residential Land Use Work Group (20 mins.)

- **Delegate Rosalyn Dance**
 - The Affordability, Real Estate Law, and Mortgages Work Group met in a joint meeting with the Neighborhood Transitions and Residential Land Use Work Group earlier in the day.
 - The work group discussed proposals from the Virginia Poverty Law Center involving landlord-tenant issues. Of the three proposals, none are ready to be presented to the full Commission yet.
 - The work group also discussed proposed legislation regarding derelict buildings, and that proposal will be presented at this meeting by Jon Baliles, from Planning and Development Review in Richmond will present the issue now.
- **Jon Baliles** began by providing background information on the receivership proposal.
 - The proposal began as SB 1312 (McEachin, 2011), and has been significantly changed since that bill was introduced last session. Chip Dicks and Mark Flynn worked extensively with the city of Richmond on this issue. The bill was based on a process known as receivership whereby a locality can appoint a receiver to repair a vacant, derelict home and then sell the home to recoup the costs of the work done and any amount leftover from the sale would be given to the original owner of the home. This process involves a taking power by the locality. That power has been removed from this proposal.
 - The bill is an effort to breathe new life into declining neighborhoods by repairing homes that are currently beyond acceptable living conditions. In the city of Richmond, there are roughly 500 vacant properties that are

falling apart and rampant with criminal activity. This proposed legislation has been drafted to focus on those properties; houses like this rob the neighborhood of vitality and decrease the property value on surrounding homes. Vacant properties have been shown to attract crime, and the longer those properties are blighted the worse the situation becomes. Current enforcement tools cannot compel evasive or insolvent owners to rehabilitate their property, and government initiatives—tax sales and Spot Blight Abatement—are inefficient.

- This proposed legislation sets out specific guidelines to be followed using existing law. The property must first be declared derelict, then the locality proceeds to Spot Blight Abatement. Receivership would only be allowed after the property is declared derelict and Spot Blight Abatement has taken place, then the localities, through the courts, can repair the property. The goal of receivership is to incentivize owners to restore their property to a livable condition rather than just boarding it up and allowing it to fall apart. The owner retains title to the property until the Spot Blight Abatement proceeding is completed. The owner can negotiate a sale of the property at any time, including after Spot Blight Abatement and during the receivership process.
- **Mark Flynn** emphasized that if the receivership process has been invoked, then Spot Blight Abatement has already been initiated and the house will be condemned. More often than not, there are tax liens against the property, and frequently other liens as well. Under Spot Blight Abatement, the original owner's house is taken and condemned, and the owner gets nothing. Under receivership, the owner would receive any net proceeds after the receiver's lien and any other liens on the property have been paid, which is a far better end result for the owner. Receivership will not be a useful tool for every property.
- **Jon Baliles** acknowledged that although receivership is not a useful tool for every property, it will be beneficial to neighborhoods in decline where more houses are becoming increasingly run-down. Receivership is also a useful tool in bad neighborhoods.
- **Delegate Marshall** inquired how houses are identified for the receivership process.
 - **Jon Baliles** replied that the locality must file a Spot Blight proceeding. Then a court will have to approve the receivership process.
- **Delegate Marshall** asked whether the houses had to be sold after receivership or if they can be rented.
 - **Jon Baliles** answered that that decision is made by the owner. The owner can sell it before the work begins, during, or after, or he can pay the lien on the property for the work done and retain ownership.
- **Delegate Marshall** asked who performs the renovations on the house.
 - **Jon Baliles** responded that the locality would fund the renovations. A contractor would be selected from the locality's pre-approved list of reputable contractors or organizations. The locality would give the contractor the money to make the necessary repairs and put a lien on the property in that amount.

- **Delegate Marshall** asked whether a developer could identify houses that needed to be repaired and petition the locality to initiate the receivership process.
 - **Jon Baliles** replied that a locality must initiate Spot Bate Abatement proceedings and then a court will decide if receivership is appropriate for that property. The court will make the decision as to who repairs the property after reviewing and approving a plan for repair.
- **Delegate Cosgrove** asked Chip Dicks to address the Commission.
- **Chip Dicks** explained the proposed legislation does not compromise existing eminent domain statutes. Instead of forcing a locality to take title to blighted property and condemn the house, under this legislation it can make necessary repairs before taking title to the house. He mentioned that although the Virginia Association of Realtors (VAR) has not yet been asked for a position on the legislation, he does not anticipate any opposition.
- **Delegate Cosgrove** commented that property rights advocates need to be informed about the proposed legislation to ensure it does not infringe on property rights.
- **T.K. Somanath** expressed his support for the proposed legislation.
- **Delegate Cosgrove** told the Commission that he would not entertain a motion on this bill, and asked Mr. Dicks to bring his recommendations to the full Commission meeting in November.

VII. Update from the Affordability, Real Estate Law, and Mortgages Work Group (20 mins.)

- **Delegate Rosalyn Dance**
 - At the joint work group meeting, it was determined that the proposed legislation involving manufactured home titling was not yet ready to be presented to the full Commission. John Rick and Tyler Craddock, with the Virginia Manufactured and Modular Housing Association, are working together to develop a bill draft by the full Commission meeting in November.
 - The work group also discussed the Fair Housing Law bill that was introduced last session. Discussion came from Connie Chamberlin, with Housing Opportunities Made Equal (HOME) and Mark Flynn, who both agreed that the current language is too broad, and Mr. Flynn was also concerned about the lack of feedback regarding the bill. They will revise the bill and will hopefully be able to make a presentation at the full Commission meeting in November.

VIII. Public Comment

- There was no public comment.

IX. Adjourn

- The meeting was adjourned at 2:53 p.m.